

Distribution of DROP Account

No distributions from a member's DROP account will be made until the member terminates employment with any RSA participating agency.

DROP participants have one of two ways to distribute the funds in their DROP account:

1. Receive a lump-sum payment of the total DROP account balance less the required **20%** federal income tax withholding. No portion of the distribution is subject to state of Alabama income tax.
2. Rollover all or a portion of the account balance to a traditional IRA, another eligible employer retirement plan, a 403(b) Tax Sheltered Annuity, or a governmental 457(b) plan that accepts rollovers. **The RSA-1 Deferred Compensation Plan accepts rollovers from your RSA DROP account.**

Read the [Special Tax Notice Regarding Plan Payments](#) prior to making your selection. Download a [DROP distribution brochure](#) for more information.

To either receive a lump-sum payment or make a direct rollover of the DROP account, complete the [REQUEST FOR DROP DISTRIBUTION AND ROLLOVER ELECTION \(RSA 10 D-D\)](#) form and the [REQUEST FOR DROP TERMINATION \(TRS 10 D-C\)](#) form and return both to the TRS.